

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 DRC-01 /091 W

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R 150915Z JUL 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 3337

INFO CINCPAC HONOLULU HI

USFJ FUCHU JAPAN

C O N F I D E N T I A L TOKYO 9330

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PINT, JA

SUBJ: FUKUDA STILL IN CABINET MONDAY

REF: TOKYO 9257

SUMMARY: DESPITE INTENSE SPECULATION OVER WEEKEND THAT HE MIGHT RESIGN FROM CABINET AT EARLIEST OPPORTUNITY, FINMIN FUKUDA REMAINED IN OFFICE MONDAY AS CALLS FOR PRUDENCE MOUNTED. END SUMMARY.

1. FOLLOWING SURPRISE RESIGNATION FROM CABINET BY FORMER DEPUTY PRIMIN TAKEO MIKI LAST FRIDAY (JULY 12) SPECULATION HAS MOUNTED SHARPLY THAT FINANCE MINISTER TAKEO FUKUDA MIGHT ALSO STEP DOWN ALMOST IMMEDIATELY IN PROTEST AGAINST UNPOPULAR MONEY-POWER UPPER HOUSE ELECTION CAMPAIGN MOUNTED BY PRIMIN KAKUEI TANAKA. PRIMIN HAS INDICATED WILLINGNESS TO MEET WITH FUKUDA TO DISCUSS HIS INTENTIONS AT ANY TIME, BUT FUKUDA HAS YET TO RESPOND TO OFFER AND REMAINS IN OFFICE LATE MONDAY AFTERNOON.

2. PARTY ELDERS AND OTHER LDP LEADERS HAVE HELD SERIES OF
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MEETINGS IN ATTEMPT TO MODERATE FUKUDA CONFRONTATION WITH

TANAKA AND AVERT NEED FOR FULL-SCALE CABINET REORGANIZATION WHICH WOULD BECOME NECESSARY SHOULD FUKUDA RESIGN, AND TAKE WITH HIM THREE FACTION MEMBERS ALSO SERVING IN PRE-SENT GOJ, MINISTER OF AGRICULTURE TADAO KURAISHI, HOME AFFAIRS MINISTER KINGO MACHIMURA AND ADMINISTRATIVE MANAGEMENT AGENCY DIRECTOR GENERAL SHIGERU HORI.

3. REFLECTING SERIOUSNESS OF IMPENDING CRISIS, SEVEN ELDERS OF LDP MET MONDAY AFTERNOON TO DISCUSS RESOLUTION OF SITUATION. ELDERS INCLUDED FORMER PRIMIN EISAKU SATO, HIS BROTHER FORMER PRIMIN NOBUSUKE KISHI, AND FIVE FORMER LOWER HOUSE SPEAKERS, NAKA FUNADA, MITSUJIRO ISHII, JIRO HOSHIIJIMA, KIKUICHIO YAMAGUCHI AND TAKECHIYO MATSUDA. ACCORDING TO EARLY REPORTS, LEADERS REACHED CONSENSUS THAT FUKUDA SHOULD ATTEMPT TO REMAIN IN CABINET TO CONTINUE TO DEAL WITH ECONOMIC ISSUES, AND THAT PRIMIN TANAKA SHOULD AGREE TO SUPPORT HIS ECONOMIC POLICIES. ELDERS AGREED TO DISPATCH KISHI AND ISHII AS EMISSARIES TO PERSUADE TANAKA AND FUKUDA TO RESOLVE CRISIS ALONG THESE LINES. OTHERWISE, ELDERS EXPRESSED CONCERN THAT FUKUDA RESIGNATION MIGHT APPEAR TO BE MOTIVATED BY FACTIONAL RATHER THAN NATIONAL CONCERNS, AND THUS POSSIBLY REDUCE PUBLIC CONFIDENCE IN LDP AT INOPPORTUNE TIME.

4. DURING LENGTHY MEETING FRIDAY AFTERNOON MEMBERS OF HIS FACTION WERE REPORTED TO HAVE GIVEN FUKUDA GREEN LIGHT TO MAKE OWN DECISION ON WHETHER TO RESIGN OR REMAIN IN CABINET. RUMORS PERSIST, HOWEVER, THAT ALL FUKUDA-FACTION MINISTERS MIGHT NOT RESIGN WITH THEIR LEADER. UNBOSS HEARD, FOR EXAMPLE, THAT SHIGERU HORI IS ADVISING CAUTION LATE MONDAY AFTERNOON, TO AVOID EMBARRASSING LDP AND GOJ POLITICALLY. TADAO KURAISHI, WHO IS EXPECTED TO REMAIN IN OFFICE IN ANY CASE UNTIL RICE SUBSIDY IS OFFICIALLY DECIDED ABOUT JULY 20, CHECKED INTO HOSPITAL MONDAY AFTERNOON FOR TREATMENT OF ASTHMA, WITHOUT ANNOUNCING INTENTIONS.

5. POSSIBILITY THAT FUKUDA MIGHT RESIGN REMAINS MATTER OF DEEP CONCERN, WITH INTEREST NOW CENTERED ON REGULAR TUESDAY MORNING CABINET MEETING. IF ATTENDED BY FUKUDA, CONFIDENTIAL

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THIS WILL PROVIDE AMPLE OPPORTUNITY FOR DISCUSSION OF INTENTIONS WITH TANAKA AFTERWARD. SHOESMITH

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Message Attributes

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